Pioneer AMT-Free Municipal Fund

COMMENTARY

Performance Analysis & Commentary | June 2017

Fund Ticker Symbols: **PBMFX** (Class A); **PBYMX** (Class Y)

amundipioneer.com

Second Quarter Review

- The Fund's Class A shares returned 2.52% at net asset value in the second quarter, and Class Y shares returned 2.52%, while the Fund's benchmark, the Bloomberg Barclays Municipal Bond Index (the Bloomberg Barclays Index), returned 1.96%.
- The Fund's slightly longer duration compared with the Bloomberg Barclays Index was a key driver of benchmark-relative outperformance during the quarter. (Duration is a measure of the sensitivity of the price, or the value of principal, of a fixed-income investment to a change in interest rates, expressed as a number of years.)
- Strong demand for municipal bonds continues as of the end of the second quarter, aided by retail fund flows and institutional demand from banks and insurance companies.

Despite increased political uncertainty and mixed economic data in the US, robust first quarter corporate revenue and earnings, strong global economic growth, a resounding victory in the French elections by the pro-European Union Emmanuel Macron, and softer inflation data drove strong second quarter performance in both the global equity and credit markets, and in US Treasuries. US equities and corporate credit markets gained ground on strong earnings reports, in spite of stretched valuations and a moderating outlook for domestic economic growth, as first quarter gross domestic product (GDP) disappointed and skepticism rose regarding President Trump's ability to implement his pro-growth tax and stimulus policies, particularly after multiple attempts to repeal/alter the Affordable Care Act failed to pass the Republican-controlled Congress.

US Treasuries gained during the quarter as well, as lower-than-expected consumer price inflation and personal consumption expenditure inflation, and reduced inflation expectations due to the delays in passing President Trump's stimulus programs contributed to falling intermediate- and long-term yields. Average US Treasury yields fell on lower inflation expectations, with the 10-year Treasury yield dropping from 2.39% to 2.30% (which reflected a drop in break-evens from 1.97% to 1.74%), and the 30-year Treasury yield declining from 3.02% to 2.84%. However, on the short end of the yield curve, six-month US Treasury yields increased from 0.91% to 1.14%, and two-year Treasury yields increased from 1.27% to 1.38% over the three-month period.

Meanwhile, the investment-grade municipal bond market, as measured by the Fund's benchmark, returned 1.96%, and the high-yield municipal market, as measured by the Bloomberg Barclays US Municipal High Yield Bond Index, returned 1.99%. Municipal supply started off 2017 on a strong note in January, but slowed in the following two months of the first quarter. Historically, we tend to see supply pick up again in April, driven by the end of the tax season, and continuing into the summer. This year, so far, has been no exception, as municipal supply totaled $104.5 billion in the second quarter. Through the first two quarters of 2017, refundings continue to account for more than half of the total supply in the municipal bond market.

Sector Allocation and Security Selection

The Fund's slightly longer duration compared with the Bloomberg Barclays Index was a key driver of benchmark-relative outperformance during the quarter. In addition, individual security selection results and sector allocation results were positives for the Fund's relative returns in the second quarter.

Tobacco bonds continued to perform well over the three-month period and contributed strongly to the Fund's benchmark-relative returns, though the asset class weakened in June after registering months of significant outperformance. Tobacco issuers accounted for four of the Fund's top 10 best-performing positions in the second quarter, and tobacco bonds were second only to the portfolio's overweight in education bonds in terms of contributors to the Fund's relative outperformance.

While the education overweight and the allocation to tobacco bonds contributed positively to the Fund's relative returns in the second quarter, some positions did not fare as well, including the portfolio's holdings of industrial revenue bonds in Ohio and Pennsylvania, and general obligation bonds in Puerto Rico.

During the quarter, we continued to favor owning revenue bonds in the Fund's portfolio. Revenue bonds are, by definition, secured by income-producing facilities of the borrower. General obligation (GO) bonds, or bonds secured by municipal tax revenue, comprised 25% of the Fund's total investment portfolio as of quarter-end. We expect the GO sector to feel pressure given that many states are dealing with significant unfunded pension liabilities.

Current Outlook and Positioning

President Trump's campaign promises of health care reform, personal and corporate income tax cuts, less regulation, and higher spending on infrastructure and defense have yet to come to fruition. The Federal Reserve (the Fed) may continue to raise interest rates due to continued economic improvement and a modest upturn in inflation. Should growth and inflation pick-up if and when the president's pro-growth policies are enacted, we might see a more aggressive Fed response on rates, particularly in 2018, when the benefits of such fiscal stimulus are more likely to be realized.

As noted earlier, the Republican-controlled Congress, thus far, has failed in its attempts to tackle the Affordable Care Act (ACA). Depending on the details of the final legislation, any new ACA-related bill that passes Congress could potentially result in significant harm to rural, single-site hospitals. It is also too early to tell what effects the new administration's policies on infrastructure spending – again, if enacted – will have on the municipal market.

Defaults in the municipal market are expected to remain low overall. The current 25-year default average for investment-grade municipal bonds is very low, at just 0.6%, second only to US Treasuries. Many expect this number to decrease if the US economy continues to improve.

Strong demand for municipal bonds continues, aided by retail fund flows and institutional demand from banks and insurance companies. We think the high level of tax-equivalent yields available on municipal bonds, relative to other fixed-income assets such as Treasuries and corporate bonds, will be a continued catalyst for demand going forward. With 10- and 30-year municipal-to-Treasury ratios above 85% and 95%, respectively, as of June 30, 2017, we think the municipal space will continue to entice non-traditional investors to seek out opportunities within the relative safety of municipals – even if they do not stand to benefit from the tax-exempt nature of the bonds – given that elevated ratios and historically low default rates are attractive when global interest rates are generally low. In that environment, we believe investment-grade municipals with strong fundamentals should continue to be preferred. In the past year, we have seen foreign investment in both taxable and tax-exempt municipal paper double from approximately $10 billion to $20 billion, despite the inability of foreign investors to take advantage of the tax benefits.

As of June 30, 2017, the largest sector weights in the portfolio were in education (22%), local GO bonds (15%), health care (14%), and industrial development revenue/pollution control revenue (11%).

Massachusetts, Texas, California, Virginia, and Washington represented the Fund's largest state exposures as of quarter-end.

Approximately 73% of the Fund's investments were allocated to bonds rated "A" or higher by Moody's as of quarter-end.

The Fund normally will not invest in securities that pay interest that could be susceptible to the Federal Alternative Minimum Tax (AMT), and did not own any bonds that may be subject to the AMT as of June 30, 2017.

Performance Review

Pioneer AMT-Free Municipal Fund's Class A shares returned 2.52% at net asset value in the second quarter, and Class Y shares returned 2.52%, while the Fund's benchmark, the Bloomberg Barclays Municipal Bond Index, returned 1.96%.

Average Annual Total Return (Class A shares)

June 30, 2017	(at NAV)	(at POP)	Bloomberg Barclays Municipal Bond Index
1 year	–1.52%	–5.93%	–0.49%
3 years	4.11%	2.52%	3.33%
5 years	4.24%	3.29%	3.26%
10 years	4.91%	4.43%	4.60%

Average Annual Total Return (Class Y shares)

June 30, 2017	(at NAV)	Bloomberg Barclays Municipal Bond Index
1 year	–1.27%	–0.49%
3 years	4.41%	3.33%
5 years	4.50%	3.26%
10 years	5.18%	4.60%

Expense Ratios (As of prospectus dated May 1, 2017)

Class A shares: Gross, 0.81%

Class Y shares: Gross, 0.64%

Call 1-800-225-6292 or visit amundipioneer.com for the most recent month-end performance results. Current performance may be lower or higher than the performance data quoted.

The performance data quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost.

NAV results represent the percent change in net asset value per share. Returns would have been lower had sales charges been reflected. POP returns reflect deduction of the maximum 4.50% sales charge at the beginning of the period. All results are historical and assume the reinvestment of dividends and capital gains. Other share classes are available for which performance and expenses will differ.

Performance results reflect any applicable expense waivers in effect during the periods shown. Without such waivers Fund performance would be lower. Waivers may not be in effect for all funds. Certain fee waivers are contractual through a specified period. Otherwise, fee waivers can be rescinded at any time. See the prospectus for more information.

A Word about Risk:

When interest rates rise, the prices of fixed-income securities in the Fund will generally fall. Conversely, when interest rates fall, the prices of fixed-income securities in the Fund will generally rise.

Investments in the Fund are subject to possible loss due to the financial failure of issuers of underlying securities and their inability to meet their debt obligations.

At times, the Fund's investments may represent industries or industry sectors that are interrelated or have common risks, making it more susceptible to any economic, political, or regulatory developments or other risks affecting those industries and sectors.

The value of municipal securities can be adversely affected by changes in the financial condition of municipal issuers, lower revenues, and regulatory and political developments.

A portion of income may be subject to local, state, federal, and/or alternative minimum tax. Capital gains, if any, are subject to a capital gains tax.

These risks may increase share price volatility.

The Bloomberg Barclays Municipal Bond Index is an unmanaged, broad measure of the municipal bond market. Index returns are calculated monthly, assume reinvestment of dividends and, unlike Fund returns, do not reflect any fees,expenses or sales charges. It is not possible to invest directly in an index.

The views expressed in this commentary are those of the portfolio manager, and are subject to change at any time. These views do not necessarily reflect the views of Amundi Pioneer or others in the Amundi Pioneer organization, and should not be relied upon as investment advice, as securities recommendations, or as an indication of trading intent on behalf of any Amundi Pioneer investment product.

Top 10 Holdings

		% of Portfolio as of June 30, 2017
1.	Massachusetts Health & Educational Facilities Auth., 5.50%, 7/1/32	1.77%
2.	Tobacco Settlement Financing Corp. (Virginia), 5.00%, 6/1/47	1.47%
3.	Golden State (CA) Tobacco Securitization Corp., 5.125%, 6/1/47	1.15%
4.	Dallas (TX) Area Rapid Transit, 5.00%, 12/1/33	1.07%
5.	University of Virginia, 4.00%, 4/1/45	0.98%
6.	Los Angeles County (CA) Metropolitan Transportation Auth., 5.00%, 7/1/30	0.96%
7.	State of Washington, 5.00%, 7/1/30	0.95%
8.	Texas Private Activity Bond Surface Transportation Corp., 7.00%, 6/30/40	0.93%
9.	Massachusetts Development Finance Agency, 5.00%, 7/1/31	0.89%
10.	Forsyth County (GA) Water & Sewerage Auth., 5.00%, 4/1/41	0.89%

The portfolio is actively managed, and current holdings may be different. The holdings listed should not be considered recommendations to buy or sell any security listed.

Before investing, consider the Fund's investment objectives, risks, charges and expenses. Contact your advisor or Amundi Pioneer Asset Management for a prospectus or summary prospectus containing this information. Read it carefully.

Neither Amundi Pioneer, nor its representatives are legal or tax advisors. In addition, Amundi Pioneer does not provide advice or recommendations. The investments you choose should correspond to your needs, goals, and risk tolerance. For assistance in determining your financial situation, please consult an investment professional.

Not FDIC insured • May lose value • No bank guarantee

Securities offered through Amundi Pioneer Distributor, Inc., 60 State Street, Boston, MA 02109
Underwriter of Pioneer mutual funds, Member SIPC
©2017 Amundi Pioneer Asset Management · **amundipioneer.com**
23755--30-0817

Amundi Pioneer
ASSET MANAGEMENT